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State of Connecticut
HOUSE OF REPRESENTATIVES
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February 18, 2010

Honorable Joseph Crisco, Co-chair
Insurance & real Estate Committee, Room 2800
Legislative Office Building
Hartford, CT 06106

Dear Senator Crisco:

I am pleased to writing in support of SB-50 *An Act concerning Oral Chemotherapy Treatment.*

The emergence of clinically safe and effective, orally administered anticancer medication has significantly increased the treatment options for cancer patients. One of the most significant barriers to their use is greater patient out-of-pocket costs for oral therapies versus patient out-of-pocket costs for intravenous medications.

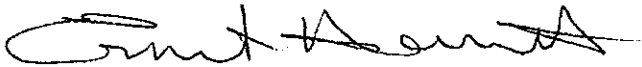
- Oral chemotherapies are becoming increasingly available so that many patients have a convenient and noninvasive alternative to IV therapies. Certain chemotherapies are only available in oral formulation. However many health plans are requiring patients to bear a larger cost for the oral agents than for IV therapies, which are administered in the physician's office or clinic.
- Intravenously administered anticancer medications are typically covered under an insurance plan's medical benefit, where most patients are only responsible for an office co-payment for each episode of care and are not required to pay a separate fee for the IV drug.
- Orally administered anticancer medications, on the other hand, are treated as a prescription and covered under an insurance plan's pharmacy benefit, where many of these agents are placed on a 4th or "specialty" tier of a prescription plan's

formulary. According to the Kaiser Family Foundation, the average coinsurance rate for 4th tier drugs is 28 percent¹. For a \$3,000 per month oral anticancer medication, this could mean close to \$900 in out-of-pocket spending per month by a patient.

- Certain newer chemotherapies are available only in oral formulation, forcing patients to have to pay more for what their doctor feels is best for them or take a less effective therapy that is available in an intravenous form. Patients should receive the chemotherapy that will save, extend, or improve the quality of, their lives.
- Overall, the cost to treat with oral anti-cancer therapies is often actually less than the alternative IV therapy because there is no medical cost associated with an oral formulation.
 - When treating early stage breast cancer the **medical costs** associated with a visit to receive IV therapy account for 36.4% of total costs.²
- Any increase in prescription drug costs for insurers will be *offset by elimination of the medical costs associated with the IV therapy* - one replaces the other. Therefore, the incremental costs for including oral cancer therapies on a basis similar to IV cancer therapies are minimal (if any), and will not have a material impact on costs or employer premiums

Thank you very much for your consideration

Best regards,



Ernest Hewett
State Representative
Deputy Majority Leader
39th District

1. Kaiser Family Foundation, 2008 Employer-Sponsored Health Benefits Report.

2. Kruse GB, et al. Costs of administration of intravenous (IV) therapies in early versus late stage breast cancer in a US population JCO, 2007;25(18S): 6588.